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13 April 1961

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# CENTRAL INTELLIGENCE BULLETIN



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CONTENTS

25X1

3. Portugal: Further report on Defense Minister Moniz' plans to force changes in Lisbon's policies. (*Page ttt*)
4. USSR: Khrushchev-Lippmann conversation on German problem. (*Page ttt*)
5. Soviet Bloc: Comment on air-raid shelter construction program. (*Page ttt*)
6. Nationalist China: Taipei takes all-or-nothing stand on China's seat in UN. (*Page tv*)

25X1

8. Ghana: Shipment of small arms from USSR. (*Page tv*)
9. Watch Committee conclusions. (*Page v*)

25X1

**Next 3 Page(s) In Document Exempt**

Portugal: [The plans of Defense Minister Botelho Moniz to force Prime Minister Salazar to change his present policies or step aside were "progressing extremely well" as of 12 April, [redacted]

25X1  
720

25X1

[redacted] Moniz, who has not carried out previously reported intentions to give Salazar a virtual "ultimatum" on specified dates, may now feel impelled to act in view of the worsening situation in Portugal's African provinces and the possibility that with further delay he would lose the initiative to one of his supporters. [redacted]

25X1

USSR: [In his discussion with Walter Lippmann on 10 April, Khrushchev insisted that the German problem was "overripe" for settlement, but stated several times that he realized the President must be given time to consolidate his position. Khrushchev outlined three possible solutions: a peace treaty with both Germanys, which, according to Lippman, he realized was impossible to attain; a temporary arrangement along the lines of the proposals made at the Geneva foreign ministers' conference of 1959; or a separate peace treaty between the bloc and East Germany. He made his position clear that a temporary or interim agreement on Berlin would only be possible on the definite understanding that at the end of the period the occupation of Berlin would be terminated.] [redacted]

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25X1  
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Soviet Bloc: [There is now firm evidence that during 1960 basement air-raid shelter construction was common practice for new masonry buildings in Warsaw. Shelters of this type have been called for by Soviet civil defense manuals and have been under construction in the USSR for a decade and in most of the European satellites for a number of years. There is some indication, however, that in the large cities of the USSR]

25X1

720

13 Apr 61

DAILY BRIEF

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25X1

25X1

[redacted] the basement shelter building program has recently been reduced or suspended in favor of alternative civil defense measures. [redacted] (Backup, Page 8) 25X1

25X1

Nationalist China: [Chinese Nationalist officials are taking an all-or-nothing stand in regard to China's seat in the United Nations. Taipei is determined to cling to the moratorium formula in the United Nations General Assembly. Chiang Kai-shek, in a recent speech, declared his intention to go it alone if need be rather than abandon the position that he intends to "recover the mainland." He spoke with anger of foreigners who "entertain the illusion of two Chinas."] [redacted]

25X1

25X1

Ghana-USSR: [A 7,000-box shipment of small arms and ammunition is reliably reported to have been delivered to Ghana on 6 April by the Soviet merchant vessel Dneproges. Heretofore Ghana has procured such supplies exclusively from] [redacted]

25X1

25X1

13 Apr 61

DAILY BRIEF

iv

25X1

25X1

[Commonwealth sources. The port of origin of the shipment-- Riga on the Baltic Sea--suggests that it is not part of a major arms deal, since exports under such deals almost invariably originate at the Black Sea port of Nikolaev. The Nkrumah regime's purpose in acquiring arms from the bloc at this time is not clear, but the apparently open manner in which their arrival has been handled and the fact they are being stored at a police barracks some distance west of Accra suggest they are not intended for clandestine re-export.]

25X1

## WATCH COMMITTEE CONCLUSIONS

A. No change from last week.

B. No change from last week.

C. LAOS: Carried on Page i of the Daily Brief.

25X1

13 Apr 61

DAILY BRIEF

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25X1

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Showdown Between Salazar and Portuguese Defense Minister  
Seen Imminent

[redacted] Moniz, if he moves, will probably press Salazar first for internal changes, since he believes these are prerequisite to badly needed changes in Portugal's African policies. [redacted]

[redacted] while 80 percent of the Portuguese oppose Salazar's internal policies, 95 percent would back Salazar against any one proposing steps which could be construed as eventually leading to the loss of the overseas provinces.]

[The US air attaché in Lisbon believes a move by Moniz at this time has a good chance of success. He bases this belief on criticisms of Portuguese policies in Africa by most of his contacts in the Portuguese Air Force and their view that the provinces will be lost unless these policies are changed.]

[Salazar, for his part, may try to offset Moniz' pressure by an early reshuffling of his cabinet in which Moniz' own position would be improved and some modest concessions made to demands for reform. Portuguese Foreign Minister Mathias told Ambassador Elbrick on 2 April that a reshuffle would take place after French Foreign Minister Couve de Murville's departure from Lisbon, presumably on 10 April.] [redacted]

Soviet Proposals for an Interim Agreement on Berlin

[An interim or "temporary" agreement on Berlin will probably be the focal point of the Soviet position in any future negotiations. The USSR introduced the idea of a temporary agreement on Berlin for the first time at the Geneva foreign ministers' conference on 10 June 1959. This proposal modified the original demand for a free city made in November 1958, in that it no longer called for an "immediate and complete abolition" of the occupation in West Berlin. Instead, Gromyko proposed that the West could retain certain rights for one year and that communications to Berlin would continue "in their present form." During this period the Western powers would reduce their troops in Berlin to "token" contingents, prohibit stationing of nuclear or rocket weapons in West Berlin, and prohibit subversive activities and hostile propaganda against the bloc; an all-German committee would be established to examine the questions of a peace treaty and unification. If this committee failed to reach agreement, the USSR would sign a separate peace treaty with East Germany, and Gromyko explained that this would terminate all Western rights in Berlin.]

[In response to Western counterproposals for an interim agreement, Gromyko on 19 June extended the Soviet plan to 18 months and modified it by proposing that at the end of this period the foreign ministers could resume consideration of the Berlin question, but would have to give "due regard for the situation obtaining at that time." Gromyko was deliberately vague on the status of Western rights in Berlin after the expiration of the agreement. The 19 June proposal also dropped the provision for a guarantee of the interim status by the Big Four and East Germany.]

[On 28 July, shortly before the conference adjourned, Gromyko submitted another 18-month solution, incorporating previous provisions but aimed at "changing the existing situation in West Berlin." For the first time, the USSR formally spelled out a precise level for Western troops in Berlin--a combined total of 3,000 to 4,000. A four-power commission]

[would supervise the agreement, and at the end of the period the Geneva Conference would reconvene if the all-German negotiation had failed. Moscow did not publish this proposal.]

[Shortly before the Paris summit meeting in May 1960, Moscow returned to the interim agreement. On 9 May the Soviet ambassador in Paris handed the French a new proposal --also never published--extending the interim period to two years but describing the purpose of the agreement as preparing conditions for the "subsequent transformation of West Berlin into a free city." The new plan embodied the main features of the previous proposal: progressive reduction of Western garrisons, prohibition of nuclear or rocket weapons in West Berlin, and prohibition of subversive activity or hostile propaganda directed against the bloc. The agreement would "take account of declarations" by the USSR and East Germany to maintain access to Berlin in its present form, and these "engagements" by East Germany could take a form which would not signify diplomatic recognition by the West. The entire agreement would be supervised by a four-power committee.]

[At the end of the interim period, however, if an all-German committee failed to agree on the German question, the four powers would sign a peace treaty with the two German states, "or with one of them, as they would judge it desirable." Moreover, the four powers would be committed to take measures to create a free city in West Berlin. As in the proposal of November 1958, the USSR provided for some form of UN participation in guaranteeing the free city. Thus, unlike the previous proposal, this latest offer made a free city the explicit goal of the interim arrangements.]

[The only subsequent authoritative mention of an interim agreement was the USSR's 17 February memorandum to Bonn, which stated, "The Soviet position does not preclude the possibility of a temporary settlement of the West Berlin issue prior to the conclusion of a peace treaty with Germany, but on the condition that an exact date for the conclusion of this treaty is fixed." This reference to a peace treaty at the close of the interim period suggests that Moscow has in mind the unpublished proposal of 9 May 1960.]

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Soviet Bloc Shelter Programs; A Status Report

[A US engineer who worked on the new US embassy in Warsaw from late 1959 through 1960 was informed by Polish builders that every building in Warsaw must have a shelter; upon seeing US-drawn plans for the new US embassy, the builders asked, "Where is the bomb shelter?" but did not insist on its inclusion. The engineer visited a number of Warsaw construction sites during the course of his stay in Poland and saw "many" which included the characteristics of basement air-raid shelters depicted in Soviet and Polish civil defense manuals.]

[The USSR has been building basement shelters for about a decade in new masonry buildings, including apartment houses. The principal satellites have also constructed basement shelters for several years. When fully equipped, these shelters offer good protection from fall-out but limited protection from the effects of blast. Other types of shelters which have been prepared in the Soviet bloc include light and heavy bunkers, subways, and tunnels. The heavier types of shelter should afford greater protection from high overpressures.]

[There is some evidence that the construction of basement shelters in Czechoslovakia as well as in the Soviet cities of Moscow, Leningrad, Kiev, and Kharkov has been reduced or suspended. Possible explanations for such a step would include substitution of detached shelters because of increased use of prefabricated units built without basements, the limitation of basement shelter construction to small towns of low target potential, a sufficiency of basement shelters in certain areas, and greater reliance on partial evacuation of urban populations as a civil defense measure.]

[A reduction in basement shelter construction has not been conclusively demonstrated for all areas of the USSR and Czechoslovakia, and the recent reliable report from Warsaw indicates that Poland at least still considers the construction of basement shelters a valid civil defense measure.]

25X1

Chinese Nationalists Increasingly Concerned Over Their  
UN Position

[Chinese Nationalist officials are voicing with increased candor their apprehension about United States intentions with respect to the Chinese representation problem in the UN General Assembly session this fall. They are anxious to know what tactics are to be adopted and are apprehensive over what seems to be a drift toward "two Chinas" in free world opinion. They blame the US administration for failing to take a strong stand which they contend could halt the trend toward seating Communist China in the UN. They believe the United States is considering the "internationalization" of Taiwan and the adoption of a "two Chinas" solution in the UN.]

[Chiang Kai-shek is obsessed with the idea of returning to the mainland and is opposed to a "two Chinas" concept even though adoption of such a formula might cause Communist China to refuse to enter the UN. He believes any erosion of his position would accelerate the disillusionment of the mainlanders who fled to Taiwan in 1949, encourage Taiwanese separatism, and lead to eventual Taiwanese domination of the government.]

[The Chinese believe the United States should try to rally support among other UN members for the moratorium. They believe that the United States, preoccupied with the crisis in Laos, has not yet reached a decision on its China policy and that, therefore, the Chinese must firmly hold the line. Recent official pronouncements have reiterated that the offshore islands are an integral part of Nationalist China and have insisted that the United States not weaken its policy toward the Chinese Communist regime, which they describe as being on the "verge of collapse."] [redacted]

[redacted]

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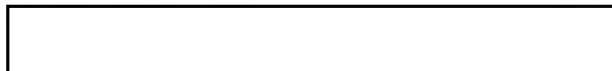
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